



STATE OF MICHIGAN
**Family
Independence
Agency**

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Memo

To: Leon E. Hank, Director
Office of Financial Management
Department of Management and Budget

Date: March 27, 2002

From: Rita Barker, Director
Office of Internal Audit

Subject: Review of FY 2000-01 Year-End Closing
Assignment #2002-102

The Office of Internal Audit performed a review of FIA accounts payable at the 2000-2001 fiscal year-end. We reviewed a sample of year-end accounts payable to determine if they were properly established and had adequate supporting documentation. We also reviewed Federal accounts receivables and the calculation of the Child Support Enforcement accrual.

Accounts payable at year-end 2001 totaled \$149,494,104.98. We tested payables transactions and journal vouchers that totaled \$126,549,881.87 or 84.7% of the total accounts payable. Accounts payable were generally set up properly and had adequate supporting documentation.

Federal accounts receivables totaled \$296,835,803. We found that Federal accounts receivable were adequately supported by management records reconciling federal expenditures and cash draws.

The accrual methodology used to determine the Child Support Enforcement accrual was consistent with the prior fiscal year and was approved by the Office of Financial Management.

cc: M. Jasonowicz
A. Shah
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